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Gremlin Industries

Hustle Dances to \$1.5 Million

Create an innovative new video game, add an unprecedented country promotional tour and the results come up in seven figures. Gremlin's vice president of marketing, Malcom Bains, reports sales in excess of \$1.5 million as a result of his recent whirlwind jet-hopping trip introducing three Gremlin coin-operated games.

Bains enthusiastically comments, "Distributors both here and abroad were amazed by the volume of sales that were generated during the shows. U.S. response to Hustle resulted in operators

insisting on taking the machines off the floor, and European orders were for immediate shipment by air."

Individual purchases abroad averaged six figures and came at a time when the European buying season had already ended. Based on this factor Bains anticipates that "the European market may well grow to 50% of Gremlin's gross sales."

Bains indicated that he is in the planning stages for an August promotion that will be a "real barn burner."

Winner!



Tim White receives a \$50 check from President Frank Fogleman. Tim's 'Shop Talk' was among 186 entries submitted by employees.

Gremlin Blood Donors Needed

Employees who are interested in donating blood for a Gremlin Reserve Blood Fund should sign the sheet in the lunch room.

If there are enough volunteers it can be arranged to have a Bloodmobile visit the plant site and a Reserve Fund can be established for Gremlin employees and members of their immediate families.

For additional information see Linda Ross in personnel.

Puerto Rico Listens to BLOCKADE

The smash hit game BLOCKADE from Gremlin Industries is so popular in Puerto Rico that it is played over the radio.

Radio Station WANA, an innovative station in the west coast Puerto Rican city of Aguadilla, has recorded the novel sounds of BLOCKADE from the game room next door and uses the sounds to introduce the local newscast. In turn the publicity causes the game to be played all day long.

Gremlin vice-president Malcom Bains cried a hearty, "Fantastic!" when he heard the news. So, if you should be in Puerto Rico and happen to hear the strange familiar sounds of games coming from the radio, don't be surprised.

Safety Committee Meets

The newly organized safety committee held it's first meeting on June 5 in the conference room. Members of the committee are: Wayne Anderson, Ed Cooke, Mike Gawarecki, Jerry Hamilton, Jim Nemeth, Linda Ross, Janet Schneider, and Paul Zest.

The committee was formed "to serve as a means of safety communication and to create and maintain an active interest in safety throughout the plant." The

primary functions to the safety committee are:

- 1) To discuss safety policies and recommend their adoption by management.
- 2) Discover unsafe conditions and practices and determine their remedies.

The next safety committee meeting is scheduled for July 5 at 10 a.m.

Credit Union

A representative from Central Credit Union of San Diego appeared here on Friday, June 24. Meetings were scheduled from 3:00 to 4:30 in the lunch room that day to inform Gremlin employees of the benefits which Central offers opposed to banks and savings and loans.

Central offers 6 1/4% per annum on a savings account, insured to \$40,000. Payroll deductions are available. A minimum of \$2 must be deducted per pay period. Loans at 12% can be obtained. This rate is lower than that of most lending institutions. Free checking through The Sumitomo Bank of California is also available.

Employees interested in joining the credit union should obtain application forms from Linda Ross in personnel and return completed forms to her within the next two weeks.

Frank-ly . . .

All of you have filled out a job application in the personnel office. The application was requested because we wanted to know about you. I feel it is rightly so that you know about me.

I've been asked to contribute to each issue of Shop Talk and if that is to be meaningful, it helps to know about the author.

I am Frank Fogleman. I was born, raised and educated in east Tennessee — the smoky mountains. I guess I'm a legitimate hillbilly. My college career was interrupted, serving four years with the Navy (none of which were spent in San Diego incidentally). Upon completion of college at the University of Tennessee, where I studied electrical engineering, I came to San Diego to work for Convair.

At Convair I worked on the design for the guidance system for the Atlas missile. In 1957 I moved to Los Angeles where I worked for 2½ yrs. for an electronic instrumentation firm. I returned to San Diego late in 1959 to start a company of my own, Aeromarine. On year later, I married a girl whom I had met earlier at Convair. Today, my wife Kit and I live five minutes away in Tierrasanta. Kit works at Lindbergh Field with United Air Lines.

In six and one half years as president of Aeromarine, I designed and sold space craft systems, worried about the payroll and most of the time took home a pay check myself. I left Aeromarine in 1967 to design the first brief case telephone for CarryPhone.

In 1970 I started Gremlin. Most of you know Gremlin only as a game manufacturer, but Gremlin was three years old when it offered its first game product. During the first three years primary emphasis was placed on the development and marketing of several product lines for the oceanographic, civil engineering, and fast food industries. By mid 1972, development was under way for the first of a series of coin operated games.

While I enjoy games as much as anyone, business is probably the hardest game of all. That's why I enjoy a game of HUSTLE or backgammon every time I get the chance. I play racquetball, bridge, and games which are slight of hand and slight of mind. So I guess it's natural that Gremlin is an interesting place for me to work — how about you?

Question of the Month

Employees were selected at random and asked: "How can an 'employee of the month' be chosen fairly, and what criteria would you use?"

Dave Evans—Engineering

"Have supervisors from each department ask employees for evaluations of their work from the past month. Supervisors should then choose an employee who has achieved something unusual (something which is not necessarily part of his/her job description). Supervisors then submit an employee's name and the reason for selecting that employee to Frank. Frank then selects the most deserving employee."

Kay Tierce—Stock Room

"Pick a different department each month. Allow the whole plant to vote for 'employee of the month' from that department."

John McKane—Wall Game Area

"Base selection of 'employee of the month' on their regularity, reliability, constructive contribution to the shop and their willingness to perform duties above and beyond the functions of his/her job."

Billie Wallace—Test

"Frank should pick one department

each month. People within the department should vote for the candidate which they feel should be the 'employee of the month'. Nominees should be judged on their efficiency.

Andy Keevil—Customer Service

"Each department votes for a candidate (supervisors are exempt from voting). At a mid management meeting, the supervisors present the candidate which the department has voted to represent them. The supervisor also presents a brief explanation as to why he/she believes that candidate deserves to be 'employee of the month'. Management then selects the candidate on the basis of attendance, punctuality and attitude."

Flo Weaver—Assembly

"There should be an open vote. Employees should be able to vote for any employee in any department. With each vote, employees should write an explanation as to why their nominee deserves to be 'employee of the month.' Management should make final selection."

Don Kammerzell—Production Test

"Pick the person who has the least amount of discrepancies on their incident report."



Bobbi Riggs and Joe Hurst display trophies won in a weekend contest sponsored by the Murphy Canyon Motorcycle Club on June 11.

Employee Recreation Fund

An employee recreation fund has been established to aid in the financing of future employee social functions. Two fund raising projects have been proposed.

Management has donated a COMOTION game to be raffled off. Proceeds from the raffle will be deposited into the fund. Tickets will go on sale next week in the lunch room. The cost is .50¢ per ticket. Those wishing to sell tickets to family members or friends can sign for additional tickets with Linda Ross in personnel.

HUSTLE t-shirts will be available in personnel dept. July 11. Profits made from the sale of the t-shirts will also be contributed to the employee recreation fund. The t-shirts will be sold for \$3.00.

QUESTION OF MONTH (CONT)

Helen Colesanto—Lunch Room

"Pick an 'employee of the month' for each department. The employees within the department should choose the 'employee of the month' by their work, attitude towards people, personality, friendliness and their ability to work with others."

Robert Hansen—Final Assembly-video

"Have a group of supervisors pick one employee on the basis of their work done and attitude."

Mitchell Timin—Engineering

"Nominations for 'employee of the month' should be open to all employees. Employees submit ballots including nominee's name and why that nominee is deserving of the award. Have ballot boxes placed conveniently around the plant. Management should then choose an employee of the month from the ballots collected."



Machine Shop: Left to right: Jim Smith, Jim Nemeth, Nancy Balaban, Steve Fay, John Green, Al Howeth, Bob Finn.

Getting To Know You

The machine shop, located in the rear of the building on the ground floor, is available to "make jobs easier for other departments, especially the production dept." according to shop Supervisor, Steve Fay.

Steve and foreman Jim Nemeth originally owned and operated the shop, previously known as the E.L.F. Machine Shop on Convoy Court. Gremlin rapidly became E.L.F.'s largest customer and consequently, the E.L.F. Machine Shop joined Gremlin on June 6, 1976.

Gremlin now employs Steve and Jim along with six other workers and leases most of the machines found in the shop today.

Approximately 60% of the work done by the shop is for production purposes. This work includes providing tools and fixtures for production jobs. They also drill all of the holes on the ball game lamp boards. The TEAM FOOTBALL lamp board has 1600 holes to be drilled. Drilling two boards at the same time takes about one hour. At full scale production the shop can turn out 50 lamp boards per day with two drillers, 250 boards per month.

The remaining 40% work load is devoted to "re-work". "Re-work" comprises various modifications that need to be made to parts and tools. Repairs are also included.

Tooling wall game frames and machining and cutting plexiglass for the video games are among the current duties performed by the machine shop.

The philosophy of the shop as stated by Steve Fay is "As long as there's a quantity of work, there's a method to make it go faster and easier."

Promoted in: Engineering Cust. Service

Lane Hauck, former Chief Engineer, has been named Director of Research and Development.

Prior to his employment with Gremlin in 1975, Lane was Chief Engineer at Spectral Dynamics of San Diego. He attended UCLA where he obtained his B.S. in physics, and Cal State at Los Angeles where he completed requirements for his M.S.E.E.

Lane and his wife, Marilyn, live in University City. They are the parents of two sons.

Bob Pecoraro, now Chief Engineer, joined Gremlin in June 1976 as a design engineer.

Previously, Bob had worked for Spectral Dynamics of San Diego and the Astronautics Corporation of America in Milwaukee, Wisconsin where he studied aerospace electronics.

Bob is the father of two sons. His home is in El Cajon.

Len De Groot was recently named Sales & Service Director for Gremlin. Len, who joined Gremlin in 1975, moves up from his position of Customer Service Manager.

Len spent 12 years in the electronics field while with the U.S. Navy. He subsequently attended San Diego Evening College majoring in psychology and is currently enrolled in National University where he plans to obtain his Masters degree in business administration.

Mike Gawarecki has been promoted from customer service department lead technician to Supervisor of that department.

Mike joined Gremlin in April 1976. After serving seven years in the U.S. Navy, where he was a fire control technician, Mike attended Mesa College where he earned his A.S. degree. Mike and his wife, Judi, live in north county.



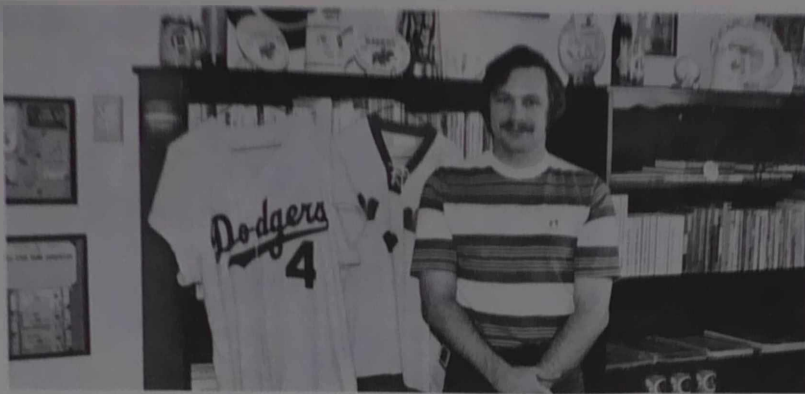
Employee Management Luncheon

The first employee-management luncheon was held in the conference June 2. Each month nine employees will be selected to attend the luncheon with management. Last month's participants were: Sue Drake-customer service, Joe Hurst-engineering, De Ann Coombs-purchasing, Mike Cooper-production test, Bob Meyer-shipping/receiving, Teri Gill-P.C. assembly, Bob Pecoraro-engineering, Georgia Kindead-quality control, Mike Steele-final assembly, Gene Candelore, Gerry Hansen, Frank Fogleman and Ernie Borunda.

People Making News

Teri Gill, Gremlin's Production Supervisor, celebrated her one year anniversary with the company on June 6. Teri came to Gremlin after 12 years with Honeywell as Production Supervisor. Teri coordinated Gremlin's open house in December and is responsible for remembering employee birthdays. Teri along with her husband and son live in San Carlos.

Donna Floyd, a Gremlin employee for three years, is taking a leave of absence beginning July 22. Donna is expecting her first baby. Donna had been active on the Employee Relations committee before it's collapse. Donna and her husband reside in Santee.



Duke Snyder's 1956 Brooklyn Dodger's uniform rooms with a Canadian hockey league uniform.

Nolin Collects Sports Treasures

Some collect string, some antique cars, others collect autographs and approximately 10,000 Americans are registered sports collectors with the Sports Collectors Association. Mike Nolin, who is Gremlin's final assembly wall game supervisor is one of those avid sports collectors.

Mike began his sports collection with a few baseball cards when he was five years old. He still has some of those first cards.

Today, Mike's Clairemont apartment is a tribute to all sports. Although most of his collected items are related to basketball, baseball, football, and hockey; soccer, over-the-line, tennis, racquetball and golf are not excluded. Mike's 'sports room' houses many treasures including Duke Snyder's 1956 Brooklyn Dodger's uniform. Snyder, Mike's favorite player as a child, could be admitted to Baseball's Hall of Fame soon. Should this happen, Snyder's uniform (presently worth \$300) would be valued at hundreds of dollars.

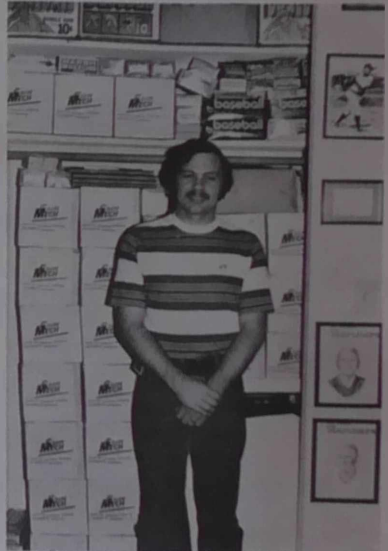
In addition to his work here at Gremlin, Mike devotes as much as 30 hours per week to his collection. Weekend conventions in Anaheim sponsored by the S.C.A. enable collectors to buy, sell and trade sports items. The next S.C.A. convention will be held Labor Day. 1,000 collectors are expected to attend. Depending on the turnout, Mike says he will make anywhere between \$500 to \$1,000 that day.

The recent increased interest in sports collecting is due to "the value baseball cards are acquiring" Mike explains. Mike owns the rarest post war baseball card. It was manufactured by Bowman and is a 1954 #66 Ted Williams. Mike discovered the card among a truck load of baseball cards he had purchased. The truck load cost Mike \$600 but resulted in a bargain when he found that many of the cards included in the sales were worth \$100 apiece. He also has cards which are 30 years old and the gum is still in them. Mike feels that collecting baseball cards is a challenge "because some cards are really hard to get." His baseball card collection alone has an estimated value of \$30,000.

A sports fan as well as a sports collector, Mike says that he has attended "all the big ones". He's seen the first Super Bowl, the NBA playoffs, and the Seattle Pilots first game.



Randy Jones occupies corner in Mike's sports room.



Mike re-cycles CoinMech boxes to store baseball cards. On the wall to the left of Mike is autographed picture of Babe Ruth and Ty Cobb's autograph.

Racquetball Tourney Planned

John Colton is in the process of organizing a double elimination racquetball tournament. Those already signed up will have the opportunity to compete in a similar elimination tournament to establish handicaps.

27 employees have indicated an interest in a Gremlin racquetball program. President Frank Fogleman is negotiating with George Brown's Racquetball Courts to receive a reduced

rate for court time. More information will be available in the next issue of Shop Talk.

Men's Softball

Men interested in playing in a softball league should sign the sheet posted in the lunch room. George Kiss, ext. 259 is organizing the team.

Sailing, Sailing

Matt Burman has completed two of his three sailing excursions. All of those attending have enjoyed the all day excursions thus far. The crew of June 12 included Bob Pecoraro, Carol Richey, Suzanne Swenson, Steve Fay, and Lynn Blackburn. Sailors on the June 26 voyage were Jim Nemeth, Joe Hurst, Tim White, and Bobbie Riggs. Scheduled for July 10 are: Deidra Britt, Robbie Sharpe, Robert Hansen, Billie Wallace, Warren Owens and Gerry Downey.